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FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC PRIORITY 6797
INFO RUEATRS/DEPT OF TREASURY WASH DC

C O N F I D E N T I A L KUALA LUMPUR 001011

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STATE PLEASE PASS TO NSC (STEPHENS)
TREASURY PLEASE PASS TO FINCEN

E.O. 12958: DECL: 06/02/2016
TAGS: [EFIN](#) [KJUS](#) [KTFN](#) [KNNP](#) [MNUC](#) [PARM](#) [PREL](#) [SN](#) [MY](#)
SUBJECT: FURTHER MALAYSIA RESPONSE TO TANCHON COMMERCIAL BANK ACCOUNTS

REF: A. A:KUALA LUMPUR 00750
[1](#)B. B:SECSTATE 55463

Classified By: Economic Counselor Colin Helmer. Reason 1.4(d)

[1](#)1. (C) Econoff met with Koid Swee Lian, Director of Bank Negara's Financial Intelligence Unit (FIU) and FIU official Rahman Abu Bakar June 2 at their request to discuss the alleged relationship between Tanchon Commercial Bank and Malayan Banking Berhad's (aka Maybank) Singapore branch (Ref A). The FIU also invited Shamsul Bahrin Baharuddin, Maybank's Head of Compliance Risk Management and Abdul Alim Mahmood, Senior Relationship Manager for the Americas, who presented Econoff with a letter detailing their internal investigation and categorically denying any relationship between Tanchon and Maybank Singapore or Maybank Malaysia. Both the FIU and Maybank officials reiterated their earlier requests for more information regarding the alleged relationship so that they may investigate deeper. They also expressed concern that this issue is remains open even though they requested information substantiating the allegation over a month ago. Specifically, they do not want this allegation to come out publicly nor do they wish to be surprised should the U.S. government be contemplating such an action. As they have found no ties between Maybank and Tanchon, FIU once again requested that the U.S. government expunge this allegation from the record.

[1](#)2. (C) Both the FIU and Maybank remain very concerned about this case. Maybank explained to Econoff that it had not found any relationship between Maybank's Singapore branch and Tanchon. They also explained Maybank's policy regarding correspondent banks. (Note: the talking points per Ref B referred to Tanchon's "correspondent relationship with Malaysian Banking Berhad Singapore Branch." End Note.) Maybank explained that its corporate regulations require any branch entering into a correspondent relationship to seek Maybank headquarters approval. There is no record of the Singapore branch ever making such a request nor has Maybank found any record of a relationship between Tanchon and the Singapore branch.

[1](#)3. (C) Action Requested: Post reiterates the request made in Ref A. Both the FIU and Maybank would like to see on the evidence supporting the alleged link between Tanchon and Maybank so that Bank Negara can confirm whether such a relationship exists. They also requested information on the process for correcting USG records of suspicious transactions. If Bank Negara confirms that there is no relationship between Maybank and Tanchon, they would like to ask that this allegation be expunged from the record. In view of our close working relationship with the FIU, and the importance of this relationship for our counterterrorism finance cooperation with Malaysia, post once again requests

Washington guidance for responding to this request.
LAFLEUR